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HOUSE BILL 718

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Thomas A. Garcia

AN ACT

RELATING TO MUNICIPALITIES; AMENDING CERTAIN PROVISIONS OF THE
SMALL CITIES ASSISTANCE FUND TO PROVIDE DIRECT POPULATION DATA
TO THE TAXATION AND REVENUE DEPARTMENT TO DETERMINE
DISTRIBUTIONS FROM THE FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 3-37A-3 NMSA 1978 (being Laws 1979,
Chapter 284, Section 3, as amended) is amended to read:

"3-37A-3. SMALL CITIES ASSISTANCE FUND--DISTRIBUTION.--

A. The "small cities assistance fund" is created
within the state treasury.

B. On or before January 31, 2004 and on or before
January 31 of each subsequent year, the ~~[local government
division of the department of finance and administration]~~
bureau of business and economic research located at the

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1 university of New Mexico shall certify to the taxation and
2 revenue department the population of each municipality in the
3 state.

4 C. On or before the last day of February of 2004
5 and of each subsequent year, the taxation and revenue
6 department shall compute the amount to be distributed to each
7 qualifying municipality as follows:

8 (1) the department first shall compute a
9 distribution share for each qualifying municipality. The
10 distribution share shall be an amount equal to the product of
11 the qualifying municipality's population multiplied by the
12 difference between the statewide per capita average and the
13 municipal per capita average less the local tax effort of the
14 qualifying municipality;

15 (2) in 2004 and subsequent years, the balance
16 in the small cities assistance fund in February immediately
17 after the distribution to the fund pursuant to Section 7-1-6.2
18 NMSA 1978 for the preceding January will be divided by the
19 number of qualifying municipalities. The quotient will be
20 rounded down to the nearest dollar and may be cited as the
21 "target amount";

22 (3) if the target amount determined in
23 Paragraph (2) of this subsection is less than or equal to the
24 minimum amount, the target amount is the amount to be
25 distributed to each qualifying municipality; and

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1 (4) if the target amount exceeds the minimum
2 amount, the amount to be distributed to all qualifying
3 municipalities whose distribution share equals or is less than
4 the minimum amount shall equal the minimum amount. The sum to
5 be distributed to such municipalities shall be subtracted from
6 the amount in the fund. The target amount then shall be
7 increased by dividing the balance remaining in the fund by the
8 number of remaining qualifying municipalities. The amount to
9 be distributed to each remaining qualifying municipality shall
10 equal the lesser of the municipality's distribution share or
11 the increased target amount. If the distribution share of one
12 or more of these remaining qualifying municipalities is less
13 than the increased target amount, the balance of the fund is to
14 be further reduced by the amount necessary to provide for a
15 distribution to those municipalities of their distribution
16 shares. The target amount is to be increased again by dividing
17 the recomputed fund balance by the number of qualifying
18 municipalities not yet provided for. Successive iterations of
19 the process to increase the target amount shall occur until no
20 remaining municipality's distribution share is less than the
21 increased target amount.

22 D. The state treasurer shall distribute from the
23 small cities assistance fund on or before March 1, 2004 and
24 March 1 of each subsequent year to each qualifying municipality
25 the amount certified by the taxation and revenue department for
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each qualifying municipality for the year.

E. Funds distributed in accordance with this section shall be placed in the general fund of the qualifying municipalities receiving distributions."